

# Human Rights Report

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Apr. 2024



# Message from President



## - Human Rights in the Global Community -

As globalization spreads and conflicts become more frequent, human rights violations are increasingly severe and varied in nature. Human rights due diligence is being codified in law in the West, while in Japan, the “Guidelines on Respecting Human Rights in Responsible Supply Chains” have been issued, among other initiatives that indicate increased expectations of corporate accountability on human rights issues.

Companies’ initiatives have picked up the pace in response to the societal changes, and management that is mindful of human rights and sustainability issues has become a basic and necessary requirement for companies to survive in this turbulent era.

## - Initiatives that Respect Human Rights are Essential to Achieving Our Purpose -

At Japan Post Bank, our stated purpose is to “aim for the happiness of customers and employees and will contribute to the development of society and the region.” To achieve this purpose, it is essential that we respect the human rights of all stakeholders. Our Human Rights Policy also requires respect for the rights of all people, including customers, employees, and business partners as we strive to improve our human rights due diligence.

## - Japan Post Bank's Unique Human Rights Initiatives -

Japan Post Bank has a unique business model in which savings deposited at post offices and Japan Post Bank in every corner of the country are invested in securities, mainly bonds, and we believe that we should have a unique approach to respect for human rights. For example, we recognize that the inability to receive (access to) basic financial services due to various circumstances, such as the characteristics of the area where you live, is a human rights issue, and that providing banking services while utilizing the post office network is an initiative and responsibility that only our bank can undertake. Japan Post Bank has established “providing ‘safe and secure’ financial services to anyone and everyone throughout Japan” as a social issue (materiality) that we should prioritize, and we are pursuing various initiatives to that end.

## - Continuous Improvement Through Dialogue with Stakeholders -

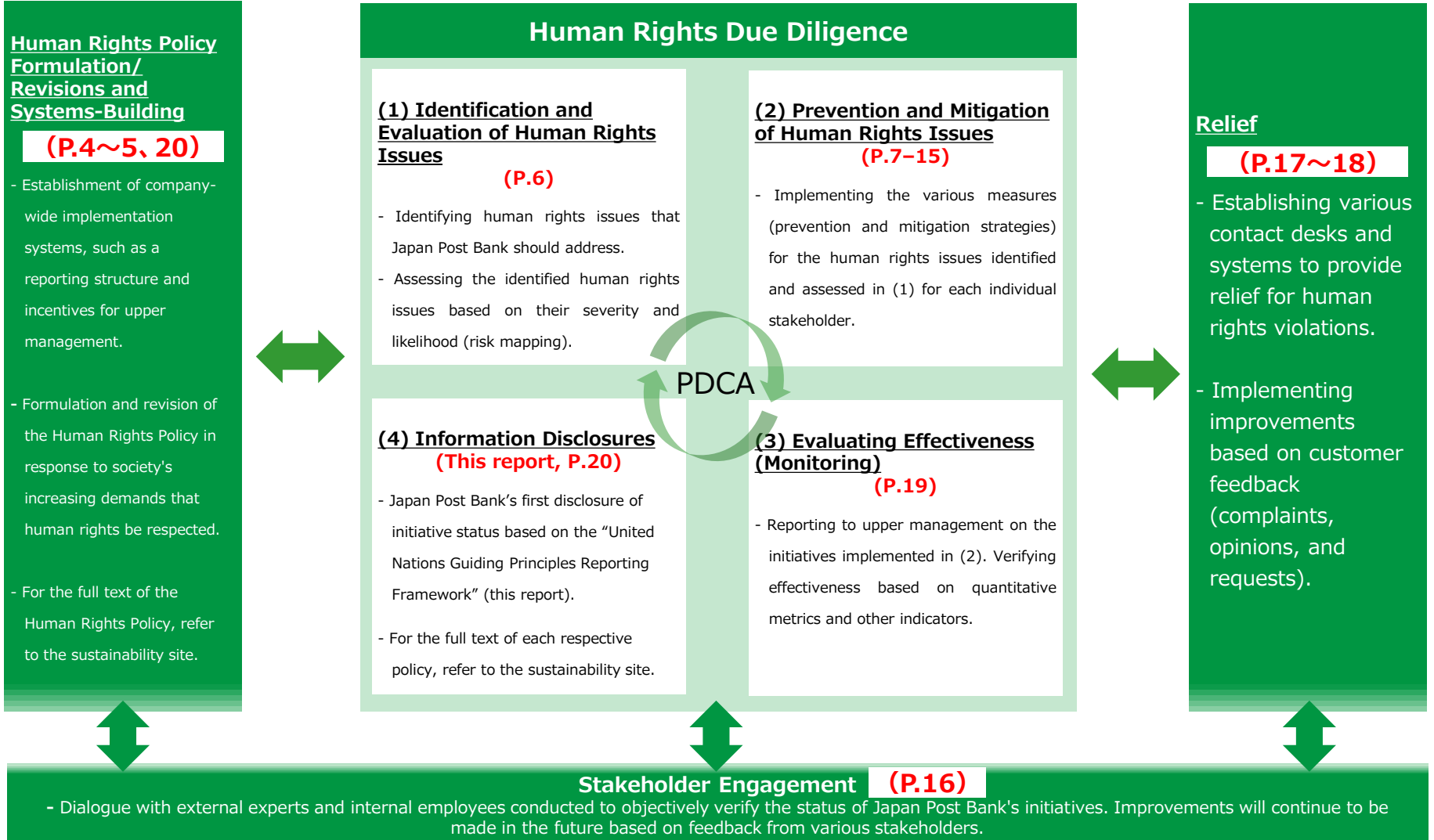
This report summarizes our initiatives up to the present date, but we understand that efforts to respect human rights are “an endless endeavor that will never earn a perfect score.” By using this report to engage in dialogue with our various stakeholders and continuing to make improvements, we will contribute to the realization of a sustainable society where human rights are respected.

# Past Initiatives



# Table of Contents (Overall Picture of Human Rights Initiatives)

■ The following is the overall picture of our human rights initiatives and the relationships between the matters covered within the report.



# Human Rights Promotion Framework



- Human rights initiatives are discussed at Sustainability Committee and Executive Committee meetings. The status of these initiatives is regularly reported to the Board of Directors.

## Human Rights Promotion Framework

Supervision

### Board of Directors Meetings

(Chair: Takayuki Kasama - Director, President and Representative Executive Officer)

- Basic Sustainability Policy formulation
- Supervision of status of sustainability promotion, including respect for human rights

### Executive Committee Meetings

(Chair: Takayuki Kasama - Director, President and Representative Executive Officer)

- Discussions on human rights-related policy, etc. (e.g. Human Rights Policy, ESG Investment and Financing Policy)

### Sustainability Committee Meetings

(Chairman: Harumi Yano, President and Representative Executive Officer)

- Discussion and reporting on the formulation of and progress on action plans related to sustainability, including respect for human rights

### Human Resources Department, Corporate Planning Department - Sustainability Promotion Office

- Planning and coordination regarding human rights and confirmation of status of progress at each responsible department

### Responsible Departments

- Promotion of human rights initiatives in businesses over which departments have jurisdiction

Execution

## Reflection in (Executive) Officers' Compensation

Performance-based compensation for (executive) officers is based in part on results from external evaluation agencies and others that incorporate human rights into their assessment criteria, as well as the status of ESG-themed investments. In this way, the compensation system reflects the human rights initiatives that are implemented.

Category	Performance-linked	Payment standard	
Basic compensation	Fixed	Certain fixed compensation based on job responsibilities	
Stock compensation	Performance-linked	Calculating points that form the basis for further calculation below	Performance-linked range calculated based on quantitative and qualitative evaluations (0-150%) <FY2022 Evaluation Items> (1) Quantitative evaluation (management plan achievement status*) - Current net income - Reductions in OHR/G&A expenses - Retail Business - Market Business - Regional Relations - ESG (2) Qualitative evaluation - Progress on ESG management (excluding items reflected in quantitative metrics, <b>including results from external evaluation agencies.</b> ) - Events having a significant impact on customers (initiatives related to customer-oriented business operations, IT system problems, compliance violation situations, etc.)
		(1) Basic points (Awarded according to duties) + (2) Evaluation points (Awarded based on individual evaluation)	

\* Evaluations are based on the achievement status of various KPIs set out in the Medium-term Management Plan (such as the number of registered Yucho Bankbook app accounts, number of active Tsumitate NISA [cumulative investment] accounts, number of contributions to Regional Vitalization Funds, balance of risk assets, RORA, **balance of ESG-themed investments, female manager ratio**, etc.)

## Selection of Top Risks

"Inadequate initiatives and disclosures with respect to climate change, human rights, and other sustainability issues" have been selected as one of top risks, with the status of human rights risks being managed.

- In response to society's increasing demands that human rights be respected, Japan Post Bank established its Human Rights Policy in April 2019 based on the UN “Guiding Principles on Business and Human Rights” and other ideas. This policy was thereafter revised in April 2023 after review through the process below and discussion at the Sustainability Committee and Executive Committee meetings.

## Review of International Guidelines

- Examine the initiatives required of companies by the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Guiding Principles on Business and Human Rights, and the Children's Rights and Business Principles, among others.

## Identification and Evaluation of Human Rights Issues

- Identify human rights issues that are highly relevant to Japan Post Bank based on the roles expected of financial institutions as per the above guidelines and initiatives (UNEP FI).

## Review of Other Banks' Initiatives

- Review other banks' human rights reports and other public information to identify differences with Japan Post Bank's own initiatives.

## Policy Formulation, Revision, and Awareness

- Change the policy approval process to include approval from managers, including top management.
- Disclose the full text of the policy on Japan Post Bank's website (sustainability site).

## Reflection in the Human Rights Policy

- Explicitly state the guidelines to the left in the Human Rights Policy as “human rights standards to be respected.”
- With respect to identified human rights issues, specify Japan Post Bank's initiatives (including expected actions) for each stakeholder.
- Discuss the approval process for the Human Rights Policy in the Sustainability Committee (attended by Executive Officer in charge of each business division), discuss in Executive Committee meetings, and then formulate/revise it. Explicitly describe the approval process in the Human Rights Policy.
- Conduct human rights training for different levels of staff (August 2023: officers and directors; November 2023: all employees) and raise awareness of the points listed in the Human Rights policy (human rights issues that should be considered in the course of daily operations).
- Explicitly include considerations for human rights in regulations (e.g. ESG Investment and Financing Policy) other than the Human Rights Policy to ensure such considerations are a part of operations in every business.

**Link to the Human Rights Policy =>**

<https://www.jp-bank.japanpost.jp/en/sustainability/social/supplychain/policy/>

# Identification and Evaluation of Human Rights Issues



- Japan Post Bank has identified human rights issues that our bank should address based on international guidelines and the roles required of financial institutions therein.
- The identified human rights issues have been evaluated (mapped) based on two criteria: severity and likelihood of occurrence. The mapping results will be continuously reviewed and revised based on changes in our external environment.

## Human Rights Issue Identification and Evaluation Process

### 1. Review of International Guidelines

- We examine the roles required of financial institutions published in international guidelines and initiatives (UNEP FI) such as the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Guiding Principles on Business and Human Rights, to identify the human rights issues Japan Post Bank needs to address.

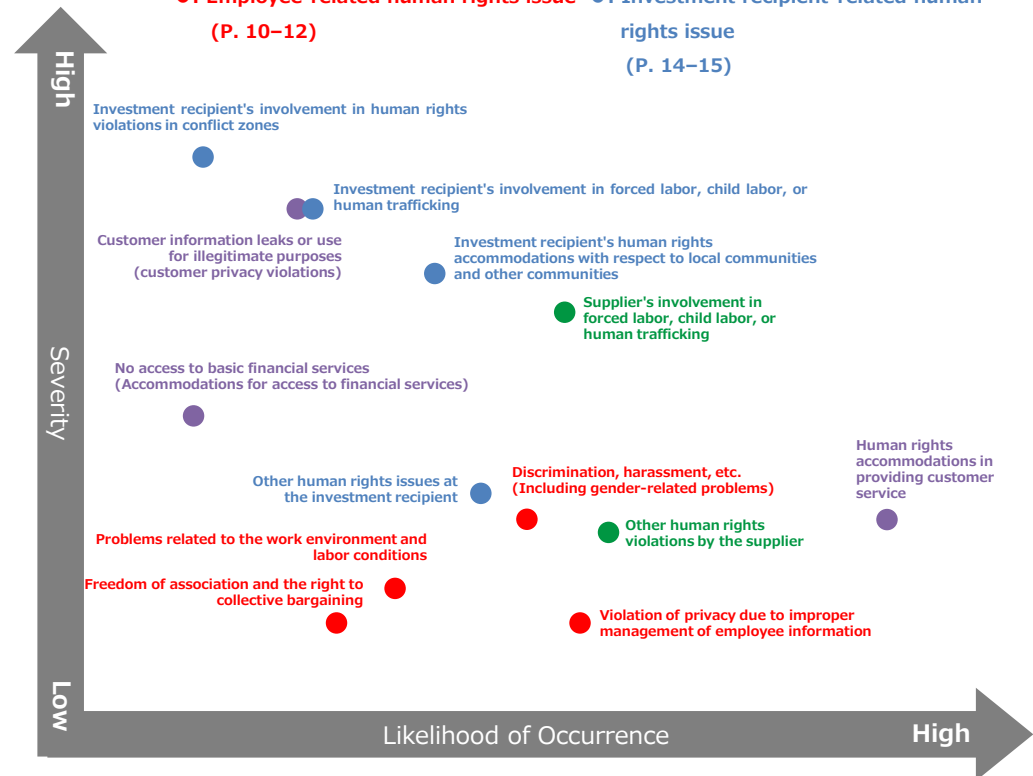
### 2. Evaluation Based on Severity and Likelihood

- “Severity” is calculated based on the scale of the human rights violations (e.g., impact on human life), the range of individuals affected (e.g., number of people), and the difficulty of providing relief (e.g., difficulty in restoring matters to their original state).
- “Likelihood” uses external data\* to convert risks into scores by country and industry. This score is combined with each supplier or investment/loan recipient’s share by country and by industry to calculate likelihood.
- Expert input from external consultants is also utilized in this evaluation.

### 3. Implementation of Risk Mapping and Response Based on Results Thereof

- Human rights issues that Japan Post Bank needs to address are mapped on a chart on which the vertical axis represents severity and the horizontal axis represents likelihood.
- Consistency is confirmed between mapping results and the employee survey results (P. 16).
- Implement revisions to the ESG investment policy and the Japan Post Group CSR Procurement Guidelines based on factors including tendencies towards high severity for human rights issues related to investment recipients and suppliers.

- : Customer-related human rights issue (P. 7–9)
- : Supplier-related human rights issue (P. 13)
- : Employee-related human rights issue (P. 10–12)
- : Investment recipient-related human rights issue (P. 14–15)



### Human rights issues not included in risk mapping

- Relief measures (and respective contact desks, etc.) (P. 16–17)
- AML/CFT/CPF (e.g. money laundering), bribery, and other anti-corruption measures, climate change measures, etc. (P. 9, 15)

\* Data used includes general country-specific metrics published by international organizations and others, the Business & Human Rights Resource Centre (BHRRC) data, and FACTIVA data.

# Customer-oriented Initiatives (1)

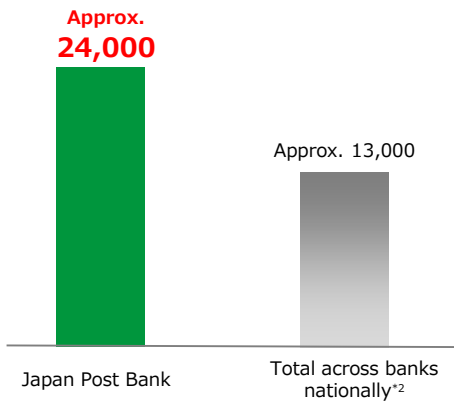


- Amidst declining birthrates, an aging population, and depopulation, Japan Post Bank recognizes that it is our responsibility to ensure “access to financial services,” which is a basic human right. We provide “safe and secure” financial services accessible universally throughout Japan, complementing physical channels (such as branch networks) with digital channels (e.g. apps).

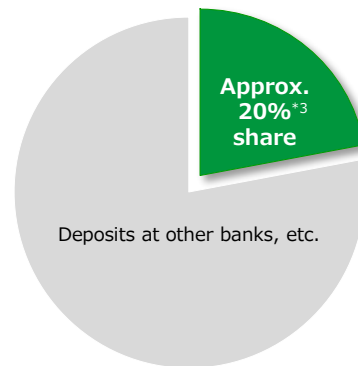
## Provision of Financial Services to Customers Throughout Japan

Japan Post Bank boasts the most branches in Japan and approximately 120 million accounts, a number equivalent to Japan's total population. To ensure that our many customers can use Japan Post Bank services with peace of mind, we strive to maintain and strengthen\*1 the safety and reliability of our massive financial settlement system infrastructure, while drawing on our massive network to provide “safe and secure” financial services to anyone and everyone throughout Japan. Furthermore, we are committed to improving access by expanding “digital services” to be easy for all customers to use, and not just through physical channels like stores and ATMs. As we bolster security features such as identity verification, we are expanding the functionality of the Yucho Bankbook app that is equipped with basic internet banking features, and we have newly released the Yucho Reco (PFM app) to help customers visualize their assets and income/expenditures, thereby supporting household management. In this way, we offer services that can be used no matter where you are located in Japan.

<Domestic store/branch network comparison>



<Proportion of deposits with Japan Post Bank as a proportion of household deposits and savings>



<Digital services (apps)>



Yucho Bankbook App



Yucho Reco (PFM app)

\*1: Japan Post Bank identifies cyberattack risk as one of our top management risks, and top management is spearheading continuous strengthening of our cybersecurity measures.

\*2: The Japanese Bankers Association web site “National Bank Financial Statement Analysis (National Bank Capital, Number of Stores, Number of Bank Agents, Number of Officers and Employees List),” total domestic head offices and branch offices (as of the end of March 2023)

\*3: This figure represents Japan Post Bank personal savings divided by the total amount of household deposits in the Bank of Japan’s “flow-of-funds statistics” (as of Sept. 30, 2023)



# Customer-oriented Initiatives (2)



- We strive to make Japan Post Bank accessible and user-friendly for all our customers by achieving barrier-free accessibility and universal design in terms of both physical and systemic aspects.

## Initiatives to Ensure All Customers Can Use Our Services with Peace of Mind

### Installation of ATMs that are easy for anyone to use

We have installed ATMs equipped with audio guidance and braille to make machines easier to use for customers with visual impairments. Additionally, our ATM screens utilize universal design principles with respect to color to ensure they are easily readable to a wide range of people regardless of differences in color perception.

We are also in the process of installing compact small-sized ATMs with features like support for 16 languages at FamilyMart locations nationwide to ensure non-Japanese customers can use them with ease.

### Barrier-free (accessibility) support tools

To make our services easy to use for all customers, we have installed ramps to eliminate steep height differences, auxiliary handrails, and tactile paving blocks at branch entrances and exits. Inside branches, we provide cane holders and wheelchairs, as well as writing desks that can be used while seated. At service counters, we post the “ear symbol” for customers with hearing disabilities and provide writing pads to enable communication through writing.

### Support for telecommunications relay services\*

Since telecommunications relay services have been introduced as public infrastructure, we now provide support for customers with hearing disabilities who wish to conduct procedures using a telecommunications relay service.

\* This service facilitates communication by people with hearing or speech disabilities by translating sign language or text through an operator, such as a sign language translator, thereby enabling phone conversations.

### Multilingual support (Foreign language services)

Prior to visiting a Japan Post Bank branch to open an account, customers can prepare the necessary application forms at home using our website, which supports English, Chinese, Vietnamese, and other languages.

### Braille for cash cards and completing paperwork by having someone write or stamp on the customer's behalf

In addition to issuing passbooks, certificates, and cash cards with braille, we also provide braille with other documents such as notifications indicating ordinary deposits, TEIGAKU deposits, time deposits, and various other guidance information.

If it is difficult for the customer to sign or stamp on their own, a family member or other companion can accompany the customer to the branch and sign or stamp on their behalf.



ATM Front Panel

#### Receiver (handset):

Using the numeric keypad, follow the instructions in accordance with the instructions provided by the audio guidance.

#### Braille and braille monetary amounts:

In addition to braille on passbook/card insertion slots and various other buttons and operational controls, we also provide braille to display transaction amounts in the form of small protrusions that pop up.

#### Earphone socket:

Customers can use their earphones to listen to more detailed audio guidance on transaction amounts and other information.

# Customer-oriented Initiatives (3)



- In providing financial services to our customers, Japan Post Bank is committed to respecting customer privacy and ensuring safety (e.g. preventing heavy debt and financial crimes), among other human rights initiatives.

## Initiatives to Provide Human Rights-conscious Financial Services

### Customer information management

In order to provide services that fully satisfy customer needs, Japan Post Bank recognizes the importance of properly protecting and handling personal information such as personally identifying information and individual identification numbers. To that end, we have established and implemented a Personal Information Protection Policy (Privacy Policy).

We take proper safety management measures to prevent personal information from being lost or misplaced, altered, or leaked, and conduct proper supervision of our employees and subcontractors to prevent such issues.

### Financial education

Japan Post Bank offers financial education services for elementary, junior, and senior high school students, publishes our own original learning materials on the website, and conducts visits to schools in which bank employees explain money-related matters in an easy-to-understand way, helping children develop correct financial literacy.

With the popularization of credit cards and electronic money, young people are getting roped into a wider variety of types of financial troubles. Helping to improve financial literacy helps prevent heavy debt and financial crimes before they happen, which we consider our social responsibility as a financial institution rooted in our community.



Japan Post Bank original learning materials



Lesson provided during a school visit

### Creating human rights-conscious advertisements, etc.

We have established guidelines incorporating Universal Communication Design (UCD) and a perspective rooted in respect for human rights, and we work alongside the relevant departments to create advertisements and other materials that easily communicate our message to customers while also respecting human rights.

### Examining the human rights impact prior to the introducing of new products and businesses

Before introducing new products or new lines of business, we first conduct a risk assessment and ensure a proper risk management system has been put in place. We confirm that the new product or business will be accessible and non-discriminatory, regardless of gender, disability, or other characteristics, and that the product or business is accommodating of human rights.

### Anti-money laundering and combating the financing of terrorism and proliferation financing

Japan Post Bank is committed to preventing money laundering and the financing of terrorism and proliferation financing, and takes countermeasures against the risk of criminal activities that include human rights abuses. In our initiatives to combat money laundering and other crimes, we are conscious of the human rights of our customers and strive to prevent our customers, officers, employees, and others from being involved in or affected by money laundering or the financing of terrorism and proliferation financing.

### Initiatives to facilitate financing

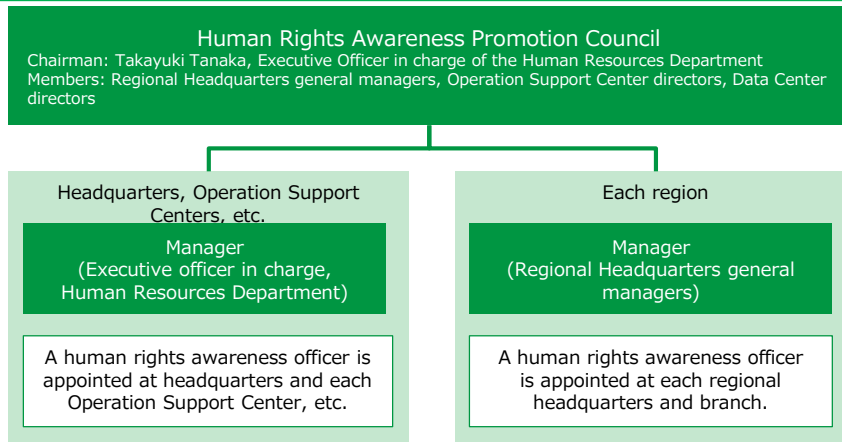
Japan Post Bank has established a Basic Policy to Facilitate Financing\* that is aimed at small- and medium-sized enterprises and individual customers, and we are developing infrastructure to ensure its proper implementation.

\*Note: Japan Post Bank does not provide bilateral loan service to small- and medium-sized enterprises, and the services we offer to individuals include automatic loans secured by deposits, cash advances by credit card, account overdraft services, and Yucho Flat 35.

# Employee-oriented Initiatives (1)

- With a network extending across the entire country, Japan Post Bank provides customer financial services rooted in local communities. To us, human resources are the source of our competitive edge and value creation, and we consider human resources to be a key asset. To protect our valuable staff, we aim to eliminate all discrimination and harassment.

## Human Rights Awareness Promotion Systems and Training Programs



### Various trainings and newsletters

Every employee is encouraged to develop a deeper understanding of human rights and actively engage in awareness activities to avoid violating human rights.

Workshop name	Target audience	Details
New employee orientation	All new employees	Basic human rights information
Training for executives and officers	Officers*, headquarters department heads, etc. *Including outside directors	Corporate expectations for the handling of human rights issues
Job-specific trainings	Personnel in specific jobs	Relevant human rights that need to be considered in that job
Human rights awareness e-learning training	All employees	Practical operational-level issues with respect to corporate expectations for the handling of human rights issues
Human rights newsletter - "Jinken Tsuushin"	All employees	Every other month, 6 times per year

## Preventing Discrimination and Harassment

### Message from top management

To commemorate Human Rights Week (Dec. 4–10) as designated by the Ministry of Justice and others, we issue a message from top management to provide all employees with an opportunity to learn and think about human rights.

### Collection, selection, and commendation of human rights slogans, and submission to external organizations like the Japanese Bankers Association

Japan Post Bank collects slogans to promote human rights from officers, employees, and their families to instill an awareness of human rights throughout the organization. The best slogans of those collected are then submitted to external organizations that are collecting such slogans themselves.

### Establishing systems for safe reporting and whistleblowing

We have appointed harassment counselors (one male and one female) at each business location and established harassment reporting hotlines as well. To improve the skills of these counselors, we conduct training sessions that draw on both internal and external case studies.

(See P. 17 for more information on harassment counselor contact information)



Japanese Bankers Association – "36th Human Rights Slogan Awards Ceremony"



Learning materials for harassment counselor training

# Employee-oriented Initiatives (2)



- “Building a safe and healthy work environment” is an internationally recognized human rights theme. At Japan Post Bank, we strive to improve job satisfaction and fulfillment by maintaining and building the physical and mental health of our employees, as well as establishing a work environment that allows for flexible work styles appropriate for different phases of life.

## Health Management Initiatives

Based on our belief that maintaining and building the physical and mental health of our employees leads to a positive work environment that contributes to increased corporate productivity and value, Japan Post Bank has created the “Japan Post Bank Health Management Promotion System.” Under this system, we work on to maintain and build health through measures including the reduction of long working hours, health guidance for the prevention and rectification of poor lifestyle patterns, and mental healthcare.

### Walking Festival

We have been holding a “Walking Festival” for all employees since the FY2022 with the aim of raising health consciousness, cultivating good exercise habits, and stimulating communication. We also organize events that are easy for employees to participate in and enjoy, such as team competitions and regional contests. In the FY2023, approximately 2,300 employees from across Japan participated.

Initiatives such as these have been recognized as excellent health management practices by the Ministry of Economy, Trade and Industry and the Japan Health Council, who included Japan Post Bank in 2024 Certified Health & Productivity Management Outstanding Organization Recognition Program (Large Enterprise Category “White 500”).



Photo of the Walking Festival

## Building of Work Environment

### Compliance with relevant laws (Labor Standards Act, etc.) and flexible work styles

Japan Post Bank introduced a work interval system in order to create an environment where employees can be ensured time to live their lives and work in good health. In addition, we comply with labor laws such as the Article 36 Agreement on working hours and have introduced policies to reduce excessive work hours. Based on those policies, we comply with relevant laws and regulations such as the Minimum Wage Act and the Labor Standards Act, and when any Labor Standards Act violations are discovered within the company, we take prompt corrective action.

Additionally, by creating a work environment that enables employees to select from a diverse range of work styles, such as reduced work-hours, work-from-home, flextime, and rehiring, we strive to promote work-life balance and a flexible work life.

### Relationship with labor unions

At Japan Post Bank, there are labor unions such as the Japan Postal Group Union that conduct collective bargaining on an equal footing with management on various working conditions, including employee wages and working hours.

We are also committed to “respecting the freedom of association and the right to collective bargaining” as defined in our Human Rights Policy.

## Protection of Employees' Personal Information

Japan Post Bank recognizes that protection against privacy infringement (personal information leakage, use beyond the original purpose) of not only our customers but also our employees is a human rights issue that needs to be addressed. When we acquire and use the personal information of our employees, we do so through legal and fair means and manage that information appropriately with confidentiality, as per our Personal Information Protection Manual.

# Employee-oriented Initiatives (3)



- Japan Post Bank implements diversity management with the aim of building a culture that powers the organizations by cherishing the diverse value systems of each and every employee, without prejudice and discrimination based on gender, disability, sexual orientation, etc.

## Promoting DE&I (Diversity, Equity & Inclusion)

In 2016, Japan Post Bank established the Diversity and Inclusion Department and has been implementing various measures to promote DE&I, starting with the active participation of women in the workplace. By incorporating an awareness of equity into the previous D&I perspectives, we aim to be a bank where each employee, with their diverse range of attributes and sensitivities, can thrive, feel fulfilled, and experience well-being.

### Implementation structure and initiatives

We have established “Diversity Committees” within the head office, regional headquarters, Operation Support Centers, and various other organizations that are comprised of members with a variety of experiences and backgrounds. These committees plan and promote initiatives tailored to the circumstances as each respective workplace.

Furthermore, we hold a “Diversity Forum” for members from across the country with the goal of promoting DE&I company-wide. A diverse group of employees participates in these committees, sharing their mindset and thoughts with the President and Representative Executive Officer.

### Primary initiatives of the Diversity Committee

- LGBTQ+ seminars
- Caregiving workshop
- Dementia seminars
- Women's health lecture
- Seminars for users of childcare leave
- Creating informational publications, etc.



Diversity Forum



(Remote participants from across Japan)

### Setting a Diversity Promotion Month

We have designated a “Diversity Promotion Month” focused on tackling diversity issues in order to recognize the diversity among individual employees and prompt changes in consciousness and behavior. Workshops for all employees on diversity-related themes are held at the workplace to promote diversity throughout the company.

### Development of “Iku Bosses”

We are working to cultivate Japan Post Bank “Iku Bosses,” supervisors who take work-life balance into consideration, in order to achieve a workplace where every employee feels a sense of work satisfaction and fulfillment. The President and Representative Executive Officer and other members of the Executive Committee have all made pledges to become “Iku Bosses”.

### Promotion of understanding of LGBTQ+

To foster a work environment where every employee can thrive with peace of mind, we distribute ally stickers as a “symbol of our understanding and support” for LGBTQ+ individuals, and we sponsor the Tokyo Rainbow Pride event.

In addition, same-sex partners are included in the definition of spouse for various company systems, allowing them to use marriage leave, bereavement leave, family allowances, and residence in company housing for couples.

As a result of these initiatives, we have been awarded the highest rating of “Gold” for six consecutive years since 2018 in the “PRIDE Index,” a metric operated by “work with Pride” that evaluates LGBTQ+ related corporate initiatives.



Ally stickers



- At Japan Post Bank, we recognize the risk of procurement activities potentially having negative impacts on the employees of our suppliers, and we ask our suppliers to conduct human rights initiatives to prevent human rights violations occurring within our supply chain.

## JAPAN POST GROUP CSR Procurement Guidelines

The Japan Post Group revised its “Approach to Procurement Activity” in December 2018, and now requests that suppliers incorporate consideration of environmental and social issues towards the realization of the ten principles of the UN Global Compact.

In July 2019, we formulated and published the “Japan Post Group CSR Procurement Guidelines,” and since December 2020, we have requested that all suppliers comply with these guidelines. Specifically, suppliers are asked to take the following measures, which cover the respect for human rights.

### I. Respect for Human Rights

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>- Prohibition of forced labor and compulsory labor</li> <li>- Prohibition of harassment in the workplace</li> </ul> | <ul style="list-style-type: none"> <li>- Prohibition of child labor</li> <li>- Prohibition of discrimination in the workplace and in occupations</li> </ul> |
|--|---|

### II. Occupational Safety and Health

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>- Ensuring workplace safety</li> <li>- Management of facilities and the work environment</li> <li>- Ensuring workplace hygiene</li> <li>- Periodic employees health management</li> </ul> | <ul style="list-style-type: none"> <li>- Prevention and proper response to occupational accidents and diseases</li> <li>- Thorough response to emergencies</li> <li>- Education and training for employees</li> </ul> |
|--|---|

### III. Global Environmental Accommodations

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>- Operation of environmental management systems</li> <li>- Control and reduction of chemical substances</li> <li>- Minimizing environmental impact</li> <li>- Efficient use and recycling of resources, energy, and water</li> </ul> | <ul style="list-style-type: none"> <li>- Accommodations in raw material procurement for biodiversity and ecosystems</li> <li>- Environmental contributions through business activities</li> <li>- Disclosure of status of environmental conservation initiatives</li> <li>- Environmental education for employees</li> </ul> |
|---|--|

\* We also request cooperation with respect to establishing systems and compliance with laws, regulations, and social norms.

## Inclusion of human rights considerations in contracts

Japan Post Bank includes CSR clauses in its contracts that require adherence to the Japan Post Group CSR Procurement Guidelines described at left.

### Demand for reporting and corrective actions

The CSR clauses require suppliers to promptly report to Japan Post Bank if there is any suspicion or confirmation that severe human rights violations have taken place, such as forced labor or child labor. If a supplier fails to correct that violation within a reasonable period despite Japan Post Bank’s demands for corrective action, Japan Post Bank may terminate all or part of the contract.

### Awareness of the whistleblower hotline

To prevent human rights violations such as the above from occurring, we have established a whistleblower hotline for employees of suppliers to contact us about human rights issues and have stipulated in the contract that knowledge of the existence of the hotline is to be disseminated. We also distribute flyers about the hotline when the contract is signed to ensure employees are aware of it.

## Supplier Questionnaire

Japan Post Bank conducts questionnaires to monitor the status of human rights initiatives at our suppliers. These questionnaires comprehensively cover a wide range of topics, from the company’s basic stance on human rights to anti-discrimination initiatives and whether there is any methodology used to determine the outcomes of these measures.

We use these questionnaire results to provide feedback to suppliers to aid in them in the promotion of CSR procurement.

- In order to monitor human rights risks in investment and loan recipients and implement appropriate countermeasures as an institutional investor, Japan Post Bank has formulated and revised an ESG Investment and Financing Policy and thereby prevents and mitigates human rights-related risks.

## Formulation and Revision of the ESG Investment and Financing Policy

Japan Post Bank works to respond appropriately to environmental issues such as climate change and biodiversity, as well as social issues such as human rights violations, in our investment and lending activities based on our Environmental Policy and Human Rights Policy. In 2019, Japan Post Bank formulated the ESG Investment and Financing Policy and regularly revises it with the aim of achieving stable returns and risk mitigation in the medium to long term.

The April 1, 2024 revisions served to clarify the environmental and social issues to be recognized in each sector and the countermeasures to prevent and mitigate risks.

### Policy on human rights violations

The Japan Post Bank Human Rights Policy states that we will strive to avoid investment in and lending to businesses that have a negative impact on human rights, and the Bank monitors the status of human right risks.

### Cross-sectoral bans on investments and loans

Japan Post Bank endorses international agreements and, from the standpoint that it does not make investments or loans contrary to public and social order, will not engage in investments or loans for projects like those described below.

- Illegal or unlawful projects
- Projects that run counter to public order and morals
- Projects that have negative impacts on Ramsar Convention designated wetlands
- Projects that have negative impacts on UNESCO designated World Heritage Sites
- Projects that violate the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington Convention)
- Projects that use forced labor, child labor, or human trafficking

## Policies with respect to special sectors

The types of negative impact on human rights vary by sector and line of business, and thus there is a diverse range of prevention and mitigation countermeasures. Among the specific sectors outlined in our ESG Investment and Financing Policy, the following have recognized human rights issues with accompanying preventive and mitigative countermeasures:

Sector	Recognized human rights issue	Prevention/mitigation measure
Weapons manufacturing	Impact ordinary residents indiscriminately over a wide area and recognized by the international community as entailing humanitarian risks that cannot be ignored.	- Ban on investment and loans to companies that manufacture cluster bombs. - Also ban on investments and loans for the purpose of raising funds for other weapons manufacturing.
Coal mining	Forced labor and child labor in coal mines	- Ban on investment and loans that will be used to fund new coal mining activities for fuel coal or to expand existing coal mining
Oil and gas	Violations of the human rights of indigenous peoples	- Confirm status of environmental and social accommodations being made at investment or loan recipients
Palm oil plantations	Forced labor and child labor	- Confirmation of RSPO certification status and FPIC status, etc.
Large-scale hydropower projects	Human rights violations such as forcing the relocation of indigenous peoples and local communities	- Confirm status of environmental and social accommodations being made at investment or loan recipients

# Investment Recipient-oriented Initiatives (2)



- We assess the status of human rights risks at our investment and loan recipients through engagement and other means.
- We recognize that addressing climate change is also an important issue from a human rights perspective and are contributing to the realization of a decarbonized society through our investment and lending activities.

## Engagement

To prevent a direct negative impact on human rights due to our investments and lending, we verify the status of the investment recipients' human rights-related measures during engagements.

Industry	Dialogues with investment and loan recipients	Future measures
Trading Company A  June 2023	<ul style="list-style-type: none"> <li>- Confirmed the implementation of risk analysis and countermeasures at subsidiaries, including overseas where human rights risks are relatively high.</li> <li>- Carried our risk analysis on the supply chain and confirmed there are plans to conduct investigations from FY2023 onward.</li> </ul>	<ul style="list-style-type: none"> <li>- Follow the status of these initiatives through public information and other sources.</li> <li>- Already communicated to our investment and financing recipients our intention to continue dialogues on an ongoing basis.</li> </ul>

## Preventing Involvement in Human Rights Violations in Conflict-Stricken Countries

To ensure that our investment recipients are not involved in human rights violations in conflict-stricken countries, we prohibit investments and lending used to finance weapons manufacturing. Additionally, we implement negative screening using external data to avoid investing in or lending to cluster munitions manufacturers.

## Promotion of ESG-Themed Investments\*1

It is internationally recognized that climate change, which increasingly forces people to migrate due to extreme weather conditions in recent years, is an issue closely related to human rights violations. Japan Post Bank has set target KPIs for the balances of ESG-themed investments in order to actively support initiatives that contribute to climate change mitigation and adaptation, such as investing in green bonds.

### Major investment examples

- Invested in climate transition bonds issued by the Japanese government  
Fund purpose: Based on the "GX Implementation Strategy"<sup>\*2</sup>, allocation to projects aimed at achieving carbon neutrality by 2050 and a 46% reduction (compared to FY2013) by 2030, in line with international commitments under the Paris Agreement
- Investments in Social Bonds Issued by the Japan Expressway Holding and Debt Repayment Agency  
Fund purpose: Refinance debts on expressway projects that the agency is responsible for (Projects contributing to resolving social issues or adaptation to climate change)



From Japan Expressway Holding and Debt Repayment Agency investor briefing materials

\*1 ESG bonds (green bonds, social bonds, sustainability bonds, transition bonds, etc.), loans to the renewable energy sector, and regional vitalization funds, etc.

\*2 Abbreviation for "Strategy to Promote a Transition to a Decarbonized Growth-oriented Economic Structure." Passed by the Japanese Cabinet in July 2023 based on the GX Promotion Act, this strategy aims to simultaneously achieve decarbonization, a stable energy supply, and economic growth through GX ("Green Transformation").



- Japan Post Bank is engaging stakeholders in dialogue as a way to objectively confirm the status of its efforts to respect human rights. We aim to continue improving our human rights due diligence in the future through continued conversations with various stakeholders.

## Dialogue with Experts (Dialogue with Outside Experts)

We conducted a dialogue to receive opinions and suggestions from external experts regarding current sustainability initiatives of the Japan Post Group and future challenges, as well as expectations and requests of the Group. With respect to human rights, the advice we received emphasized monitoring the entire value chain while ensuring that relief measures for human rights violations are effective, improving the quality of training, and utilizing dialogue with stakeholders to verify these measures' effectiveness.



Photo of expert dialogue session

Participants <small>Note: Titles and positions are current as of the date of the session (Aug. 2023)</small>		
External experts	Chair of the Japan Sustainable Investment Forum	Masaru Arai
	Guest Professor at the Open University of Japan	Masao Seki
	Representative of the Consumer Conference for Sustainability	Yukiko Furuya
Japan Post Group	Senior Managing Executive Officer, Japan Post Holdings	Tomonori Asai
	Executive Officer, Japan Post Holdings	Hirohisa Maki
	Managing Director, Japan Post	Hiroyuki Tanaka
	President and Representative Executive Officer, Japan Post Insurance	Toshitaka Shima
	Executive Vice President, Japan Post Bank	Harumi Yano

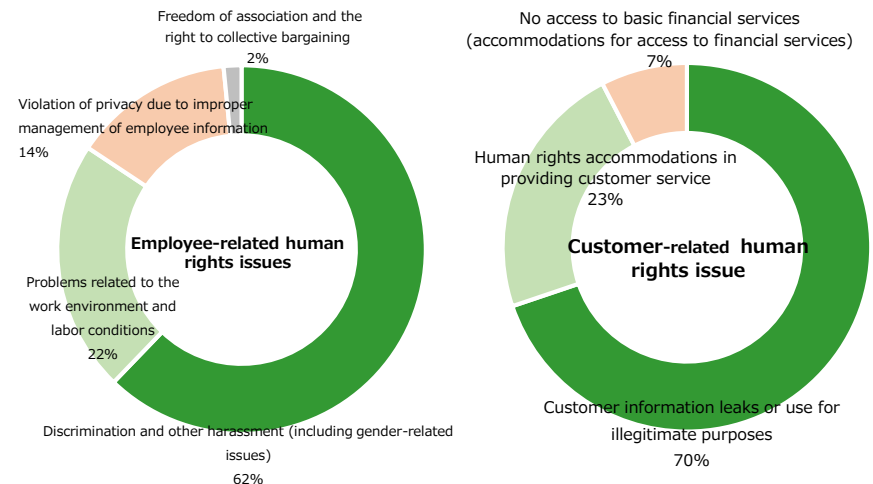
## Questionnaire on Human Rights Issues (Dialogue with Employees)

Employees are important stakeholders who can potentially fall victim to human rights violations such as discrimination and harassment. In addition to being users of Japan Post Bank services, they also interact with our customers on a daily basis and therefore can serve as the voice of our customers as well.

To that end, we conducted a questionnaire survey on specific human rights issues at Japan Post Bank, asking employees to identify the most critical human rights issues from their perspective (as employees) and from the perspective of bank users (as customers).

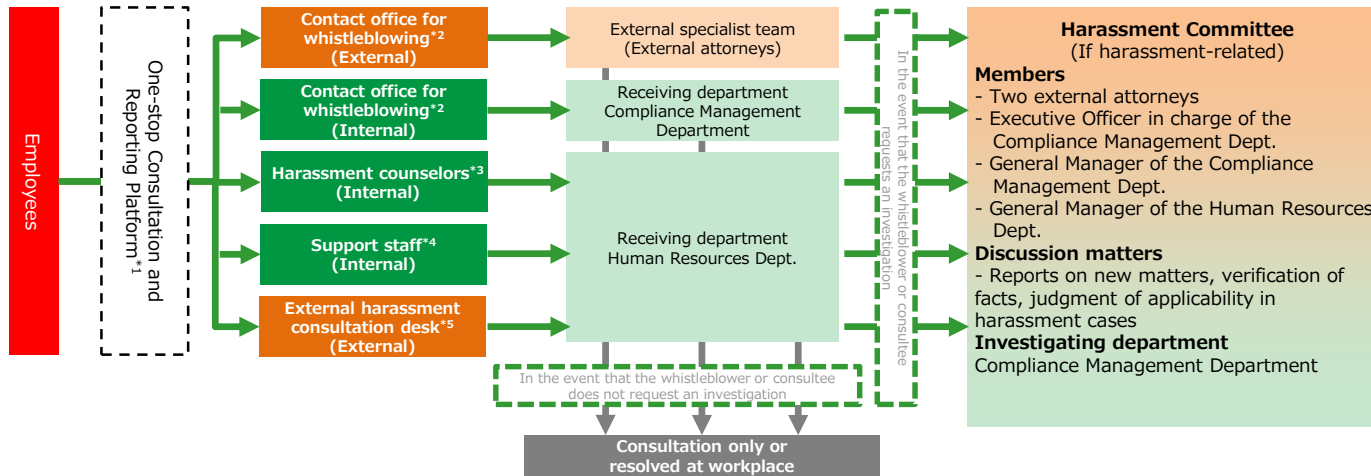
The questionnaire results revealed that “discrimination and harassment” and “leaks or misuse of customer information for illegitimate purposes” are recognized as serious human rights issues, aligning with the results of our risk mapping (P. 6).

**<Question>** Among the following human rights issues, select the one you consider to be the most serious. (Number of respondents: 6,657)



- In order to become a company where employees are comfortable and there are no human rights violations, we recognize the need to establish consultation desks that can be consulted with peace of mind. We have set up the following consultation desks and disseminate knowledge of their existence.

## Consultation/Whistleblowing Flowchart



If the consultation or whistleblower report is based in fact, disciplinary or personnel actions (transfer or demotion) will be taken through internal procedures, or the offender will be given a warning or instructions.

\*1 Consultee follows guidance information on the Internet to arrive at the appropriate consultation desk. It is also possible to consult or report directly to each consultation desk without going through a one-stop consultation and reporting platform.

\*2 A consultation desk for direct reporting, without going through one's supervisors, of acts that have occurred or may occur that create compliance issues. Suppliers can also contact this desk.

\*3 Counselors (one male and one female) are stationed at each business office.

\*4 Employees who conduct regular interviews with all employees in the stores they are in charge of, early detection of employees with mental health problems, harassment counseling response (when it is difficult to tell a supervisor or counselor in the workplace), etc.

\*5 This consultation desk is operated by a contractor company.

## Protection of Consultees and Whistleblowers

### Anonymous consultations and strict confidentiality

We work to ensure it is widely known that consultations are anonymous, and efforts are made to ensure the confidentiality of consultations while also minimizing the sharing of such information within the company.

### Prohibition of retaliation

We create an environment in which everyone can easily consult with a counselor by dealing strictly with cases of retaliation against whistleblowers, in accordance with disciplinary rules.

Actual reports	FY2022	FY2023*1 (As of the end of Dec.)
Harassment reports	105	77
Confirmed harassment cases (Disciplinary action taken)	9	9
Whistleblower reports*2	241 (161 internal, 80 external)	147 (91 internal, 56 external)

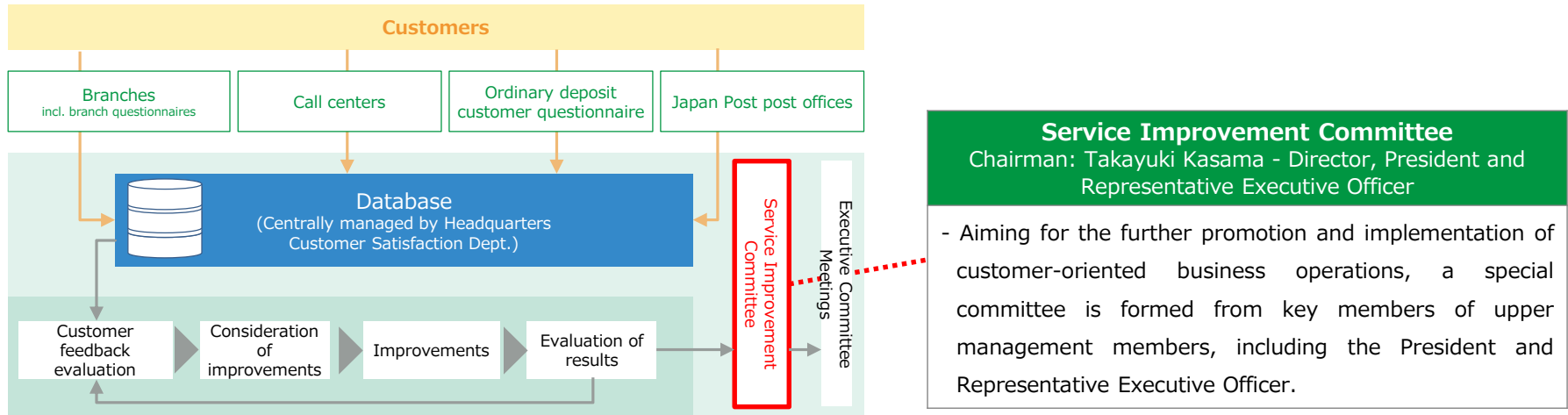
\*1 The full fiscal year results for FY2023 are planned to be released in the "ESG Data" package on the sustainability site.

\*2 Number of whistleblower reports includes non-harassment cases.

# Improvements Based on Customer Feedback

- Customer feedback (complaints, opinions and requests), including feedback related to human rights, is centrally managed on a system to enable company-wide sharing. We also analyze this customer feedback and use it to make necessary improvements.

## Customer Feedback Response Flowchart



## Examples of Improvements Based on Customer Feedback

Complaints, opinions and requests	Response taken
<ul style="list-style-type: none"> <li>I want to make inquiries via telephone using a Telecommunications Relay Service.</li> </ul>	<ul style="list-style-type: none"> <li>We accommodated the use of the Telecommunications Relay Service for all procedures and inquiries that can be handled over the phone.</li> </ul>
<ul style="list-style-type: none"> <li>I have a hearing impairment, so I want it to be possible to register on the app without using automatic voice recognition.</li> </ul>	<ul style="list-style-type: none"> <li>In addition to the existing automatic voice recognition service, we also added SMS-based verification* for customers who have registered their mobile phone numbers to their accounts.</li> </ul>
<ul style="list-style-type: none"> <li>I want to open a general account at the counter, but I'm not Japanese so it's difficult to fill out the application documents in the Japanese language.</li> </ul>	<ul style="list-style-type: none"> <li>We introduced a multilingual system on our website that enables customers to use their home computer, etc., to prepare the necessary application documents for opening a general account.</li> </ul>

\* An authentication method that confirms the identity of the individual by sending a verification code (one-time password) via SMS (Short Message Service) to the telephone number registered to the account, and having the individual enter that verification code to verify their identity. Used when registering on an app, etc.

- The implementation status of human rights due diligence was reported at the Sustainability Committee and Executive Committee in February 2024.
- We will continuously improve our monitoring methodology, etc.

### Content of Reports to the Sustainability Committee and Executive Committee

- Status of initiatives in FY2023 (e.g. revisions to the Human Rights Policy and various regulations, creation of a human rights risk map) was examined in terms of requirements of human rights due diligence and self-assessed for each requirement with a system of ○, △, × (good, lacking, and poor, respectively).
  - The creation of relief mechanisms (e.g. showing of flowcharts) and dialogue with external stakeholders were judged to be inadequate (△). Response measures were strengthened through disclosures such as this very report.
- Quantitative metrics were set to monitor the occurrence of human rights-related risks. For metrics that have increased compared to the previous year, the reasons for the increase were reported.
  - Though predicted to be temporary factors, close attention will continue to be paid to the increasing metrics.
- The ESG Investment and Financing Policy was revised (to include specific human rights issues and prevention/mitigation measures for each sector) in order to clarify measures to prevent and mitigate the negative human rights effects of investments and loans.
  - Continuous revisions will be carried out based on the circumstances of the external environment.

### Primary Opinions from Committee Members (Executive Officer in Charge of Each Respective Department)

- While taking into account that the Bank is a bond investor and that the intensity of its engagement with investees is relatively weaker than that of banks, which mainly provide loans, and equity investors, which have voting rights, it is necessary to make efforts to conduct effective engagement, and it is also important to take preventive measures to avoid investing in or lending to companies that violate human rights through, for example, checking negative news, including human rights news. It is also important to take preventative measures to ensure that investments and loans are not made to companies that are violating human rights through such measures as checking negative news, including human rights.
- In examining the human rights risks of investment and loan recipients, it is necessary to consider the differences in human rights awareness in each respective country in question before taking action in response.
- An effective due diligence system must be established, not only for human rights-related issues concerning the company's investment and financing partners, but also for its suppliers, including an organized method for responding to the discovery of human rights violations.

## Links to Policies, Data, etc.

Policy	URL
Basic Sustainability Policy	<a href="https://www.jp-bank.japanpost.jp/en/sustainability/esg-index/list/pdf/sustainability.pdf">https://www.jp-bank.japanpost.jp/en/sustainability/esg-index/list/pdf/sustainability.pdf</a>
Japan Post Bank Human Rights Policy	<a href="https://www.jp-bank.japanpost.jp/en/sustainability/social/supplychain/policy/">https://www.jp-bank.japanpost.jp/en/sustainability/social/supplychain/policy/</a>
ESG Investment and Financing Policy	<a href="https://www.jp-bank.japanpost.jp/en/sustainability/environment/esg/investment/">https://www.jp-bank.japanpost.jp/en/sustainability/environment/esg/investment/</a>
Japan Post Group CSR Procurement Guidelines	<a href="https://www.japanpost.jp/en/sustainability/procurement/pdf/procurement_guideline.pdf">https://www.japanpost.jp/en/sustainability/procurement/pdf/procurement_guideline.pdf</a>
Basic Policy to Facilitate Financing(In Japanese)	<a href="https://www.jp-bank.japanpost.jp/aboutus/activity/finance/abt_act_fnc_index.html">https://www.jp-bank.japanpost.jp/aboutus/activity/finance/abt_act_fnc_index.html</a>
Privacy Policy	<a href="https://www.jp-bank.japanpost.jp/en/policy/privacy/en_pcy_prv_index.html">https://www.jp-bank.japanpost.jp/en/policy/privacy/en_pcy_prv_index.html</a>

Others	URL
ESG Data	<a href="https://www.jp-bank.japanpost.jp/en/sustainability/esg-index/data/">https://www.jp-bank.japanpost.jp/en/sustainability/esg-index/data/</a>
Dialogue with outside experts	<a href="https://www.japanpost.jp/en/sustainability/sustainability-management/engagement.html">https://www.japanpost.jp/en/sustainability/sustainability-management/engagement.html</a>
Sustainability (Respect for Human Rights)	<a href="https://www.jp-bank.japanpost.jp/en/sustainability/social/supplychain/human-rights/">https://www.jp-bank.japanpost.jp/en/sustainability/social/supplychain/human-rights/</a>

# UN Guiding Principles Reporting Framework Comparison Table

		Item		Relevant page
Human rights governance Part A	Policy commitments	A1.1	How is the public commitment decided upon?	P. 5
		A1.2	Whose human rights are addressed by the public commitment?	P. 20 (Human Rights Policy)
		A1.3	How is knowledge of the public commitment disseminated?	P. 5, 10
	Human rights initiatives	A2.1	How is day-to-day responsibility for human rights performance structured within the company, and for what reason is it structured that way?	P. 4, 10
		A2.2	When senior management and the Board of Directors discuss human rights issues, what types of human rights issues do they discuss and for what reasons?	P. 4, 5, 19
		A2.3	How is awareness of the need to be conscious in various ways of human rights perspectives in decision-making and actions disseminated among employees and contract workers?	P. 10-12
		A2.4	How does the company clearly indicate its emphasis on respecting human rights in its business relationships?	P. 13-15, 20 (Human Rights Policy, etc.)
A2.5	During the reporting period, what lessons has the company learned about achieving respect for human rights, and what has changed as a result?	P. 19		
the reporting focus Part B	Presentation of salient human rights issues	B1	Presentation of salient human rights issues: Present salient human rights issues related to the company's activities and business relationships during the reporting period.	P. 6
	Determination of salient human rights issues	B2	Determination of salient human rights issues: Explain how the salient human rights issues were determined, including opinions from stakeholders.	P. 5, 6, 16
	Selection of priority regions	B3	Selection of priority regions: If reporting on salient human rights issues focuses on specific regions, explain how those choices were made.	-
	Additional serious effects	B4	Additional serious effects: Aside from the salient issues, identify any serious impact on human rights that occurred during the reporting period or that continues to be addressed, and explain how they are addressed.	-
Management of salient human rights issues Part C	Specific policies	C1.1	How does the company communicate the relevance and significance of its policies to those required to implement them?	P. 10, 13, 14,15, 20 (Human Rights Policy, etc.)
	Stakeholder engagement	C2.1	How does the company determine which stakeholders to engage with on each of the salient human rights issues, and when and how to engage?	P. 16-18, 20 (Human Rights Policy, etc.)
		C2.2	During the reporting period, with which stakeholders did the company engage on each of the salient human rights issues, and why?	P. 7-18
		C2.3	During the reporting period, how did stakeholders' opinions affect the company's understanding of and method of tackling each of the salient human rights issues?	P. 16-18
	Impact evaluation	C3.1	Were there any noticeable trends or patterns in the effects related to the salient human rights issues during the reporting period? If so, what were they?	P. 6, 16-18
		C3.2	During the reporting period, did any serious effects related to the salient human rights issues occur? If so, what were they?	P. 17, 18
	Evaluation result consolidation and response	C4.1	How are the internal company departments that make decisions and take actions affecting the management of salient human rights issues involved in finding and implementing solutions?	P. 4, 17, 18
		C4.2	If tension emerges between preventing/mitigating effects related to salient human rights issues on the one hand and other business objectives on the other, how is this tension addressed?	P. 13-15, 20 (Investment and Financing Policy)
		C4.3	During the reporting period, what measures did the company take to prevent or mitigate potential effects related to each of the salient human rights issues?	P. 7-18
	Performance tracking	C5.1	What specific examples from the reporting period demonstrate whether each of the salient human rights issues is being effectively managed?	P. 17-18
	Rectification	C6.1	Through what means can the company receive complaints or concerns related to each of the salient human rights issues?	P. 17-18
		C6.2	How does the company confirm whether people feel they are able to raise complaints or concerns?	P. 17-18
		C6.3	How does the company process complaints and assess the effectiveness of the outcomes?	P. 17-18
		C6.4	During the reporting period, what were the trends and patterns observed in complaints, concerns, and outcomes pertaining to the salient human rights issues? What lessons did the company learn?	P. 17-18
		C6.5	During the reporting period, did the company provide or enable any remedy for actual effects related to the salient human rights issues? If so, what were some typical or significant examples?	P. 17-18

### **Matters to be noted**

We prepared this report based on information and data deemed reliable by Japan Post Bank, but do not guarantee its accuracy or completeness. Furthermore, future forecasts described in this report are based on certain assumptions and do not suggest or guarantee future results.

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Issued April 2024

Unless otherwise specified, the contents of this publication are based on information current as of the date it was issued.